

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 SAB-01 AID-20 SWF-02 EB-11 COME-00 AGR-20

OMB-01 TRSE-00 SCI-06 FEA-02 CIEP-02 CG-00 DOTE-00

AEC-11 AECE-00 INT-08 XMB-07 SIL-01 LAB-06 DRC-01

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P R 101850Z MAY 74

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 6991

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY PANAMA

C O N F I D E N T I A L SECTION 1 OF 2 SAN JOSE 1786

E.O. 11652: GDS

TAGS: PINT, CS

SUBJECT: INAUGURATION OF DANIEL ODUBER QUIROS AS
PRESIDENT OF COSTA RICA

1. SUMMARY: IN HIS INAUGURAL ADDRESS ODUBER CHOSE A
NATIONALISTIC THEME EMPHASIZING MODERNIZATION OF THE COSTA
RICAN SOCIETY WITH A RETURN TO TRADITIONAL COSTA RICAN VALUES.
TWO POINTS WHICH POSSIBLY PORTEND PROBLEMS IN U.S.-COSTA
RICAN RELATIONS WERE:

A. ODUBER STRONGLY SUPPORTED PANAMA "IN ITS STRUGGLE
TO RECONSIDER ITS FULL SOVEREIGNTY OVER THE CANAL ZONE", "AND
TO NEGOTIATE A FAIRER CANAL TREATY".

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B. HE EMBRACED THE CARTELIZATION APPROACH TO FORCING UP

PRICES OF BASIC COMMODITIES, SPECIFICALLY PLEDGING SUPPORT FOR OPEC COUNTRIES.

2. WHILE REITERATING COSTA RICANS TRADITIONAL OPENNESS TO FOREIGN PARTICIPATION IN NATIONAL LIFE, HE SUGGESTED A MORE SELECTIVE POLICY IN THE FUTURE, NOTING "BUT THERE ARE (THOSE)...WHO COME HERE AND TRY TO DECEIVE US WITH FALSE COIN...(THEY) WILL NOT BE RECEIVED". SPEECH STRONGLY SUPPORTED CENTRAL AMERICAN INTEGRATION, BUT SUGGEST A DEFINITE SHIFT TOWARD THIRD WORLD POSITION. INITIAL EDITORIAL REACTION IN BOTH LA NACION AND LA REPUBLICA WAS FAVORABLE. END SUMMARY.

3. IN HIS INAUGURAL ADDRESS ODUBER STRUCK A NATIONALISTIC THEME POINT TOWARD THE NEED FOR CHANGE AND MODERNIZATION AND NOTING THAT THE COSTA RICAN CULTURE "CAN AND SHOULD ABSORB AND ASSIMILATE NEW CONTRIBUTIONS WHETHER SELF-GENERATED THROUGH ADAPTATION TO NEW CIRCUMSTANCES OR SIMILATED FROM OTHER AREAS". MAJOR EMPHASIS, HOWEVER, WAS ON "COSTA RICANNESS" AND NEED TO RECAPTURE TRADITIONAL COSTA RICAN VALUES.

4. SPECIFIC POINTS FOCUSING ON DOMESTIC ISSUES WERE:

A. BASIC PRODUCTION. EMPHASIZED AGRICULTURAL PRODUCTIVITY, CHARACTERIZING WORLDWIDE FOOD CRISIS AS MORE SERIOUS THAN THE ENERGY CRISIS. CALLED FOR MODERNIZATION OF FOOD PRODUCTION AND EXPANDING MARKETS.

B. TRANSPORT. MADE PASSING REFERENCE TO ESTABLISHING A MODERN AIR CARGO FLEET AND A MERCHANT MARINE IN COOPERATION WITH OTHER COUNTRIES IN AREA.

C. INFRASTRUCTURE DEVELOPMENT. REITERATED INTEREST IN CONSTRUCTION AND DEVELOPMENT OF PETROCHEMICAL INDUSTRY AND A LARGE REFINERY ON THE ATLANTIC COAST (A REFERENCE TO POSSIBILITY OF CONSTRUCTING A 200,000 BARREL CAPACITY REFINERY IN COLABORATION WITH VENEZUELA). ALSO MENTIONED BORUCA HYDRO-ELECTRIC/ALUMINUM PROJECT (NO SPECIFIC REFERENCE TO CONFIDENTIAL

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ALCOA). ARENAL HYDRO-ELECTRIC, AND POSSIBILITIES IN SULPHUR, COPPER, IRON, AND GOLD. ODUBER NOTED THESE COULD MEAN INVESTMENTS OF COLONES 20 BILLION (\$2.3 BILLION).

D. SMALL FARMS. EULOGIZED THE POSITION OF THE CAMPESINO IN COSTA RICA'S DEVELOPING SOCIETY, ASSIGNING HIGH PRIORITY TO IMPROVING THE LOT OF THE SMALL FARMER.

E. CORRUPTION. CAPED FOR PURIFICATION OF NATIONAL LIFE, AS FOLLOWS "LET US PUT A STOP TO PUBLIC AND PRIVATE CORRUPTION, TO DRUGS AND PROSTITUTION. LET US PUT A STOP TO VIOLENCE. THIS IS ALL THE RESULT OF THE IMPORTATION OF FALSE GOALS..."

F. OPENNESS TO FOREIGN ECONOMIC PARTICIPATION. REITERATED TRADITIONAL RECEPTIVITY OF COSTA RICAN SOCIETY TO FOREIGNERS (MOSTLY U.S.). HOWEVER, SPEECH SUGGESTED A MORE SELECTIVE POLICY IN THE FUTURE BY NOTING THAT THERE WERE ALSO OTHERS "WHO COME HERE AND TRY TO DECEIVE US WITH FALSE COIN, TO DESTROY WHAT WE HAVE, DISRUPTING OUR LAWS, OUR ENVIRONMENT AND OUR CULTURE." THIS THOUGHT CONCLUDED THAT SUCH PERSONYR "WHETHER THEY ARE ENTREPRENEURS, INVESTORS, DIPLOMATS, OR SIMPLE TOURISTS--WILL NOT BE RECEIVED." (CONTRARY TO U.S. PRESS REPORTS, THERE WAS NO RPT NO REFERENCE TO RESTRICTING FOREIGN CAPITAL TO MINORITY OWNERSHIP OF COMPAINES.)

G. REORGANIZATION OF GOVERNMENT. CALLED FOR STUDY OKH POSSIBILITY OF CONVOKING A CONSTITUENT ASSEMBLY TO INTRODUCE PARTIAL AMENDMENT TO COSTA RICA'S CONSTITUTION FOR THE PURPOSE OF MODERNIZING PUBLIC SECTOR AND POLITICAL PROCESSES.

5. MAJOR POINTS ON INTERNATIONAL ISSUES WERE:

A. CENTRAL AMERICAN INTEGRATION. STRONGLY SUPPORTED INTEGRATION CONCEPT, INDICATING HIS INTENTION TO PLAY PERSONAL ROLE IN RESOLVING DIFFICULTIES AND PERFECTING CACM WHICH HE SAID SHOULD INCLUDE PANAMA. HE ENDORSED MEETING OF CA HEADS OF STATE IN NICARAGUA THIS MONTH.

B. INTERNATIONAL ECONOMIC RELATIONS. REFERRED TO THE "LACK OF FAIRNESS IN THE SYSTEM OF INTERNATIONAL

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ECONOMIC RELATIONS", BUT NOTED THAT IN THE PRESENT WORLD INFLATIONARY SITUATION "THE BLOW FELL NOT ONLY ON THE BACK OF SMALL PEOPLES; THE CITIZENS OF RICH COUNTRIES ALSO FELT ON THEIR FLESH THE WHIP OF SCARCITY AND OF INFLATION."

C. HEMISPHERIC COOPERATION. BRIEFLY PRAISED THE NEW DIALOGUE CHARACTERIZING TLATELOCO, AND THE RECENT WASHINGTON AND ATLANTA MEETINGS AS MARKING THE PROPER DIRECTION TOWARD SOLIDARITY AND INTERNATIONAL JUSTICE.

D. PETROLEUM. EXPLICITLY SUPPORTED THE OPEC COUNTRIES ON THE ASSURANCE THAT, ALTHOUGH THIS WAS COSTLY (IN TERMS OF OIL PRICES) "THEY WILL MAKE COMMON CUASE IN OUR STRUGGLES".

E. BANANAS. CHARACTERIZED THREATENED ILA BOYCOTT OF COSTA RICAN PRODUCTS AS AN ACTION BY "A BADLY INFROMED

GROUP OF NORTH AMERICAN WORKERS (WHO) OPPOSED THE ASPIRATIONS OF PEOPLE THAT HAVE MADE POSSIBLE--TO A LESSER OR GREATER NEXTENT--THE WELLBEING THEY ENJOYED".

F. BASIC COMMODITY CARTELS AND PRESIDENT FIGUERES.
PRAISED ES-PRESIDENT FIGUERES' STRUGGLE FOR FAIR INTERNATIONAL PRICES, SAID HE WOULD ASK FIGUERES TO CONTINUE STRUGGLE FOR BETTER PRICES, POINTING OUT "AS THE REPRESENTATIVE OF THE PRISIDENT OF THE REPUBLIC OF COSTA RICA...(HE) WILL BE ABLE TO CARRY FORWARD AT WORLD FORUMS AND CONFERENCES A BANNER THAT HE HAS CARRIED WITH FORESIGHT AND VALOR FOR A QUARTER OF A CENTURY." (SEVERAL PARAGRAPHS REINFORCING CARTEL APPROACH WERE RETAINED IN OFFICIAL TEXT BUT DROPPED IN DELIVERY.)

G. PANAMA CANAL. CITED SOLIDARITY OF LATINS WITH PANAMA "IN ITS STRUGGLE TO RECONQUER ITS FULL SOVEREIGNTY OVER THE CANAL ZONE AND TO NEGOTIATE WITH THE UNITED STATES A FAIRER CANAL TREATY." (DELIVERED TEXT CAME THROUGH STRONGER. SEE COMMENT.)SNE SUPPORTED VENEZUELAN PRESIDENT PEREZ' CALL FOR A SETTLEMENT BY DECEMBER 7, THE 150TH ANNIVERSARY OF THE CONGRESS OF PANAMA.

6. COMMENT: JUDGING FROM INITIAL EDITORIAL REACTION IN BOTH LA REPUBLICA AND LA NACION, ODUBER'S NATIONALISTIC APPROACH WITH EMPHASIS ON PRESERVING COSTA RICAN VALUES--
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ALTHOUGH SIMPLISTIC--STRUCK A RESPONSIVE CORD. LA REPUBLICA WAS PARTICULARLY ENTHUSIASTIC. THE "TRADITIONAL VLAUES" THEME WAS MOSTLY PATRIOTRIC RHETORIC BUT IT STILL SET THE TONE FOR THE NATIONALISTIC THREAD THATSLANT THROUGH THE ENTIRE SPEECH. ODUBER'S EMPHASIS ON INCREASING PRODUCTIVITY, ON IMPROVING THE LOT OF THE SMALL FARMERS, ON INFRASTRUCTURE DEVELOPMENT AND INCREASED PRIVATE SECTOR INVESTMENT WERE ALL POSITIVE ELEMENTS IN THE SPEECH, BUT JUST HOW SUCH GOALS WILL BE ACHIEVED WAS NOT SP
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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

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P R 101850Z MAY 74

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 6992

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

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AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

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AMEMBASSY PANAMA

C O N F I D E N T I A L SECTION 2 OF 2 SAN JOSE 1786

7. THE REFERENCE TO PUTTING AN END TO PUBLIC AND PRIVATE CORRUPTION AND ODUBER'S "GOOD GUY-BAD GUY" CLASSIFICATION OF FOREIGN MIGRANTS IS PARTICULARLY INTRIGUING IN VIEW OF VESCO, WHO, DEPENDING UPON ONE'S POINT OF VIEW, OFFERS AN EXCELLENT CHANCE FOR DECIDING WHO IS DESIRABLE AND WHO IS NOT. VESCO CLEARLY WOULD SEEM TO FIT INTO THE LATTER CATEGORY, BUT WILL HE REALLY WHEN PUSH COMES TO SHOVE?

8. THE MOST TROUBLESOME AREA OF THE ENTIRE SPEECH FROM THE STANDPOINT OF U.S. POLICY FALLS IN THE AREA OF INTERNATIONAL ECONOMIC RELATIONSHIPS. ODUBER SEEMS TO HAVE CLEARLY AND FORCEFULLY ASSOCIATED HIMSELF WITH THE CARTELIZATION APPROACH FOR INCREASING PRICES OF BASIC COM-
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MODITIES, IN THE PROCESS PROCLAIMING AN ALLIANCE WITH OPEC AND THROWING COSTA RICA'S LOT IN WITH THE THIRD WORLD. REGARDING PANAMA, ODUBER KEPT TO HIS PREPARED TEXT BUT THE CADENCE OF DELIVERY AND TIMING OF APPLAUSE GAVE THE IMPRESSION OF EMOTIONAL SUPPORT FOR PANAMA. (THIS LED U.S. DELEGATE, CONGRESSMAN MANUEL LUJAN TO REMARK WRYLY "NOW HE HAS MOVED FROM PREACH'N TO MEDDL'N" AND PROMPTED A NUMBER OF COSTA RICANS TO OBSERVE TO US THAT THE REMARK WAS IN BAD TASTE.) WHY ODUBER DID THIS IS PROBLEMATIC. LOW KEY SUPPORT OF PANAMA WAS TO BE EXPECTED BECAUSE OF PROXIMITY AND ODUBER'S DESIRE TO PLAY A LARGE ROLE IN ISTHMIAN AFFAIRS. QUITE POSSIBLY ODUBER DECIDED THAT THE PRESENCE OF TORRIJOS IN THE AUDIENCE DEMANDED JUST A LITTE BIT MORE. THE REFERENCE TO THE ILA THREAT, NOW OLD COPY, WAS ALSO UNNECESSARY IN OUR VIEW.

9. IN SUM, THIS SPEECH WAS GOOD, FLAG WAVING, INAUGURATION

DAY FARE. IT WAS CERTAINLY CONSIDERABLY LESS ABRASIVE TO OUR EARS THAN SIMILAR ADDRESSES BY OTHER LATIN LEADERS. NEVERTHELESS, ITS SIGNIFICANCE FOR U.S.-COSTA RICAN RELATIONS SEEMS TO BE THAT ODUBER WISHES TO DRAW MUCH SHARPER DEFINITIONS THAN HIS PREDESSOR. THERE WAS NOTHING IN THE SPEECH TO MAKE US CHANGE OUR ASSESSMENT IN THE CASP THAT ODUBER DESIRES AND WILL ACTIVELY SEEK COLABORATION WITH THE UNITED STATES IN MANY AREAS. AT THE SAME TIME THE SPEECH HAD SOMETHING OF THE RING OF A MUTED AND MOSTLY POLITE DECLARATION OF INDEPENDENCE WITH ODUBER APPARENTLY ATTRACTED TO STRENGTHENING ALPANCES WITH OTHER LATIN AMERICANS AND THE THIRD WORLD. OFFICIAL SPANISH AND ENGLISH TEXT WILL BE POUCHED TO ARE/CEN/CR.
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